

### Message From State Director LaClair



Dear Friends:

USDA Rural Development extends federal resources to almost every New Hampshire community. We work hard to adapt to society's ever-changing needs, recognizing that our success is dependent upon the melding of financial and human capital to chip away at the barriersimpeding healthy growth and happy living for every citizen in our state.

Through a myriad of rural housing, community and business programs, Rural Development provides the financing and technical assistance that makes a difference to communities and citizens across our state. Our customer base is diverse: it is the community

that needs to upgrade its wastewater system to ensure a healthy local environment and economy; it is the school teacher who helps shape our children's future and needs an affordable home; it is the manufacturer hoping to expand its business and create 10 more good-paying jobs.

In fiscal year 2002, Rural Development had the opportunity to invest \$62,225,043 in New Hampshire. When your tax dollars are spent through a Rural Development program, each beneficiary must demonstrate their commitment to wisely use these federal resources. Through a combination of grants, loans and loan guarantees, Rural Development helped low-income residents.

non-profit organizations, communities and businesses realize dreams and goals which otherwise would not have been possible.

Rural America faces numerous challenges, many of which are mirrored and sometimes magnified in New Hampshire's backyard. Our partnerships between federal, state and non-profit agencies and private sector enterprises help us stretch our valuable resources and effect change. For the second time, Rural Development recognized a 'Partner of the Year', an organization which works closely with our agency and staff to make life better wherever we can. This year, AHEAD, Inc. received the award for their commitment in providing safe and affordable housing to residents of the North Country.

I am pleased to share USDA Rural Development's 2002 Annual Report, highlighting our achievements in New Hampshire's backyard.

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JOLINDA H. LA CLAIR

# Housing Programs: \$25,241,419

Home Ownership: Rural Development provides a range of affordable housing options for rural residents with low and moderate incomes. For new homeowners, we made 87 direct, subsidized loans for a total of \$7,582,871. In our *Loan Guarantee Program*, we guaranteed bank and commercial lender loans to 106 families for a total of \$9,605,670. This program provides the lowest-cost mortgage insurance on the market for 100%, no-down-payment financing.

Of the 193 households we helped into home ownership this year, 12 came about through the partnerships we enjoy with AHEAD in the North Country, the New Hampshire Community Loan Fund, the Laconia Area Land Trust, Southwest Community Services in Cheshire and Sullivan Counties, Tri-County Community Action Program in the North Country and Neighborhood Works.

**Home Repairs:** For very low-income homeowners who need essential repairs, access modifications, or weatherization, we offer 1% loans up to \$20,000, and can make grants to elderly households based on need and availability. This past year we helped 72 households and provided \$356,140 in loans and grants to people in need of critical home repairs such as furnace and roof replacements.

**Multi-Family Housing:** We provided \$750,000 in rehabilitation loans for two multi-family facilities consisting of 40 units. The Multi-Family Housing staff also made a \$1,000,000 loan to construct and rehab 20 units of a multi-family project in an area designated on the national priority list. \$5,896,738 was provided in Rental Assistance to 1792 renters across NH. A \$50,000 *Housing Preservation Grant* (HPG) was awarded to Southwest Community Services in Keene, NH to rehab 20 single family homes in Cheshire County.



Rural Development Staff from New Hampshire celebrate Homeownership Week by helping new homeowner Tammy Royea move into and spruce up her new home. Royea, a single mother of three, received a Rural Development Housing Loan in May 2002.

## Community Facility Programs: \$5,894,954

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Rural Development provides funding to assist communities and non-profit organizations with development of facilities needed to provide essential community services such as child care, health care, education, fire and rescue and transportation.

Bear Camp Valley School and Children's Center in Tamworth, NH received a \$15,540 Community Facility Grant to make renovations to their building and parking lot, bringing it into compliance with the Americans With Disabilities Act..



**Community Facility Loans, Grants and Loan Guarantees:** In Fiscal Year 2002, Community Facilities direct and guaranteed loans and grants provided \$5,894,954, 225% of NH's original allocation, for 14 projects including child and adult day care facilities, health services, and emergency services. Active guaranteed lenders include Meredith Village Savings Bank, Citizens Bank, Providian Bank, Mascoma Savings Bank and Community Guarantee Bank.



Home Again, an assisted living facility in Northfield, NH, for the elderly and disabled, received a \$1,035,000 Direct Community Facility Loan from USDA Rural Development to purchase and rehab their building.

# Rural Utility Programs: \$19,771,670

Through project financing and technical assistance, USDA builds infrastructure to provide rural businesses and households with modern telecommunications and water and wastewater service. This includes bringing the "Information Superhighway" to rural America and delivering safe, clean drinking water with environmentally sound wastewater disposal to rural areas.

**Water and Wastewater**: Seventeen communities received \$19,673,670, 231% of NH's original allocation, in *Water and Waste Disposal Loans and Grants* to improve their drinking water and sewer systems. **North Country Council** received a \$98,000 *Solid Waste Management Grant* to provide technical assistance and education related to waste reduction and recycling.

Funding from the 2002 Farm Bill was provided to upgrade four community water systems in NH. **Lisbon** received a \$523,700 loan and a \$751,300 grant to replace old water lines. **North Haverhill** received a \$1,050,500 loan and a \$1,621,500 grant to replace water lines and build a new 80,000 gallon storage tank. **Berlin** received a \$1.2 million loan and a \$2.4 million grant to replace old water lines and install hydrants. **Northumberland** received a \$468,900 loan and a \$979,999 grant for distribution upgrade.



Coulombe Pond Storage is part of the Berlin Public Water System. The City of Berlin received \$3.6 million to replace old, undersized water lines and to install hydrants.

**Technical Assistance:** Rural Development funding provides free on-site operational assistance and training for rural water and wastewater systems through the Northeast Rural Water Association (NeRWA). Rural Development also provides funding support to the Rural Community Assistance Program (RCAP). RCAP provides support to existing and potential water/wastewater and solid waste systems with project development issues such as forming Fire Districts, public education and income surveys.

Guaranteed Loans: The Business and Industrial Loan Guarantee Program helps local lenders finance quality rural businesses that will provide lasting community benefits. This year, RD guaranteed \$10,925,000, 146% of NH's allocation, in loans to three rural NH businesses: Durgin & Crowell, New London; R.N. Johnson, Walpole; and L.L.&S, Salem. We extend our appreciation to our participating partners in the year 2002: First Pioneer Farm Credit, First International Bank, First Vermont Bank, Woodsville Savings Bank and Meredith Village Savings Bank

**Grant Activities:** Rural Development awarded five *Rural Business Enterprise Grants (RBEG)*, a total of \$372,000, 203% of NH original allocation.



Mt Washington Valley Economic Council received a \$46,000 grant to help with the development of Mount Washington Technology Village, an incubator/resource center. The incubator will provide space and business services including: a revolving loan fund, business counseling, business education, workforce development and business retention to new, established and emerging businesses in the region.

Jac Cuddy, (center) Executive Director of the Mt. Washington Valley Economic Development Council, Calvin Hunsicker and Joseph Field of Emerlyn, a software development company located at the incubator, look at some of the technology equipment purchased with the RBEG. The grant was used to pay approximately 9% of the overall cost of the project and to install the telecommunication infrastructure.

Newport Economic Development Corporation received \$90,000 to purchase restaurant equipment at the Eagle Block Building. The restaurant is part of a collaborative effort by several organizations to upgrade and expand the use of this historic building and make it the centerpiece of the downtown Newport revitalization.

Rockingham Economic Development Corporation received an \$81,370 Rural Business Enterprise Grant to capitalize their revolving loan fund. Money from this fund was used to purchase and equip two child care centers in Rockingham County.

**The Small Dairy Project**, an organization that offers technical assistance to small goat or cattle farmers, received a \$55,630 *Rural Business Enterprise Grant* to purchase a pasteurizer to be loaned to start-up and small farm operators. With this machine, a small dairy can pasteurize their fluid milk, which is the first step needed to produce a value added product. After using the pasteurizer free of charge for a year, the farmer can purchase the equipment.



With the use of this pasteurizer, goat and small dairy farmers are able to pasteurize their milk in one-fourth of the time it took with the old machines. Because the entire process takes place in this one machine, there is a substantial decrease in potential contamination.

The Women's Rural Entrepreneurial Network (WREN) received a \$99,000 Rural Business Enterprise Grant to provide technical assistance to local small businesses. WREN offers business and networking services to women and men both with start-up and established businesses. Services include workshops on marketing, business development, financial management and technology applications. Resources such as computers, digital cameras, fax machines, copiers and other business development equipment are available to their members.



WREN received its third Rural Business Enterprise Grant from Rural Development. A portion of this grant will be used to develop the WREN Gallery.

A \$50,000 *Rural Business Opportunity Grant* was awarded to the University of New Hampshire. This grant, administered by the NH Small Business Development Center (SBDC), will be used to fund a 'mobile' business counselor. SBDC delivers technical assistance services to small businesses from six locations throughout the state. The newly funded 'mobile' business counselor position will allow those same services to reach underserved rural businesses by meeting the business owner at his or her place of business. The counselor, armed with a cell phone and a laptop computer, will serve Carroll, Coos, and Strafford Counties.

### Message From USDA Secretary Ann Veneman



This past year the Bush Administration continued a strong commitment to expanding jobs and bringing renewed economic opportunities to rural America.

One of the President's top priorities is to create new jobs and help spark economic growth. The tax relief package that the President signed into law in 2001 continues to help families throughout America. USDA's Rural Development programs are also creating new opportunities. In 2002, for example, economic grants and loans provided by USDA helped create or protect more than 150,000 rural jobs.

As we embark upon a new year, we have a strong agenda and many opportunities to strengthen America's rural communities. The Administration will continue to build upon the principles outlined in our policy publication, "Food and Agricultural Policy: Taking Stock for the New Century". Our team at USDA will continue working with all interested parties and build new coalitions to help families, create jobs and invest in America's rural sectors.

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RD in New Hampshire fielded an 'all male' team to participate in the "MAKING STRIDES Against Breast Cancer" walk. Their team collected \$2,500 for the cause.

## MESSAGE FROM USDA RURAL DEVELOPMENT

## **Under Secretary Thomas Dorr**

A strong and vibrant economy in rural America serves as the cornerstone of President Bush's economic agenda. USDA Rural Development is working hard to expand economic opportunities and improve the quality of life for all of the 59 million Americans living in rural communities. Through the efficient and effective delivery of Rural Development initiatives, new jobs have been created, home ownership has increased and families and businesses have been strengthened. New investments and entrepreneurial spirit will continue to grow, bringing increased opportunity to rural areas.



From fire hydrants to fiber optic cable -- from sewers to symphonies -- USDA Rural Development financial and technical assistance is making a positive difference. In total, over \$12 billion was invested through USDA Rural Development programs in rural America in Fiscal Year 2002

We have accomplished much in fiscal year 2002. However, to meet ongoing and future challenges, USDA Rural Development will focus in 2003 on four critical areas of economic opportunity:

- **Housing** Rural Development has created a Five Star commitment to improving single-family housing lending to rural minority families as part of the President's minority homeownership initiative.
- **Broadband** Rural Development will implement approximately \$1 billion in Broadband programs.
- Bio-Mass Rural Development will assist in the development of alternative energy combustibles to replace petroleum-based products through value-added grants and business and industry loan guarantees.
- **Equity Capital** The Farm Bill provides \$44 million in operational assistance grants and \$280 million in debenture guarantees for the Rural Business Investment Program (RBIP). The RBIP will increase the amount of capital available for investment in rural businesses and will provide technical assistance to these businesses.

Through our collective hard work we will continue to increase the economic opportunities in rural communities and improve the quality of life for all rural Americans.

### Community Outreach



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In an effort to bring RD programs to our customers, we established nine outreach positions, five working in the homeownership arena and four working with communities and non-profits.

The partnerships formed by our Homeownership Outreach Specialists with lenders, realtors and non-profits have enabled RD to reach out to all communities in New Hampshire, providing loans, grants, and technical assistance including Saturday homebuyer education seminars in partnership with NH Housing Finance Agency.

The four Rural Development Specialists have met with many New Hampshire community leaders and business entrepreneurs during Fiscal Year 2002. They provide a variety of services including help with grant writing, business planning, strategic planning, facilitation of community meetings and resource guidance. Following are examples of the assistance they have provided:

- Worked with the Pine Mountain School, an all volunteer after-school program run in the underserved area of Alexandria, providing technical assistance in budgeting, operational plan development, and grant writing.
- Provided non-profit consulting to Carroll County Health and Home Care Services, helping the organization develop new services, establish a program budget, cash flow projections and a marketing plan.
- Assisted Jaffrey/Rindge Community Works Group with prioritizing and focusing the resources and efforts of their volunteers, resulting in the completion of several tasks they had scheduled for the year.
- Assisted the Littleton and Lisbon Main Street Programs with work-flow coordination, grant writing, parking studies, consumer surveys, downtown inventories, business collaborations and historic walking tour creation.
- Participated in Community Profiles conducted by the New Hampshire Cooperative Extension Service throughout New Hampshire.
  - Facilitated committee activities
  - Provided leadership training

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# \$62,255,043 Invested in New Hampshire

